

OE ENERGY MARKET SNAPSHOT

Mid-Atlantic States Version – December 2007 Data

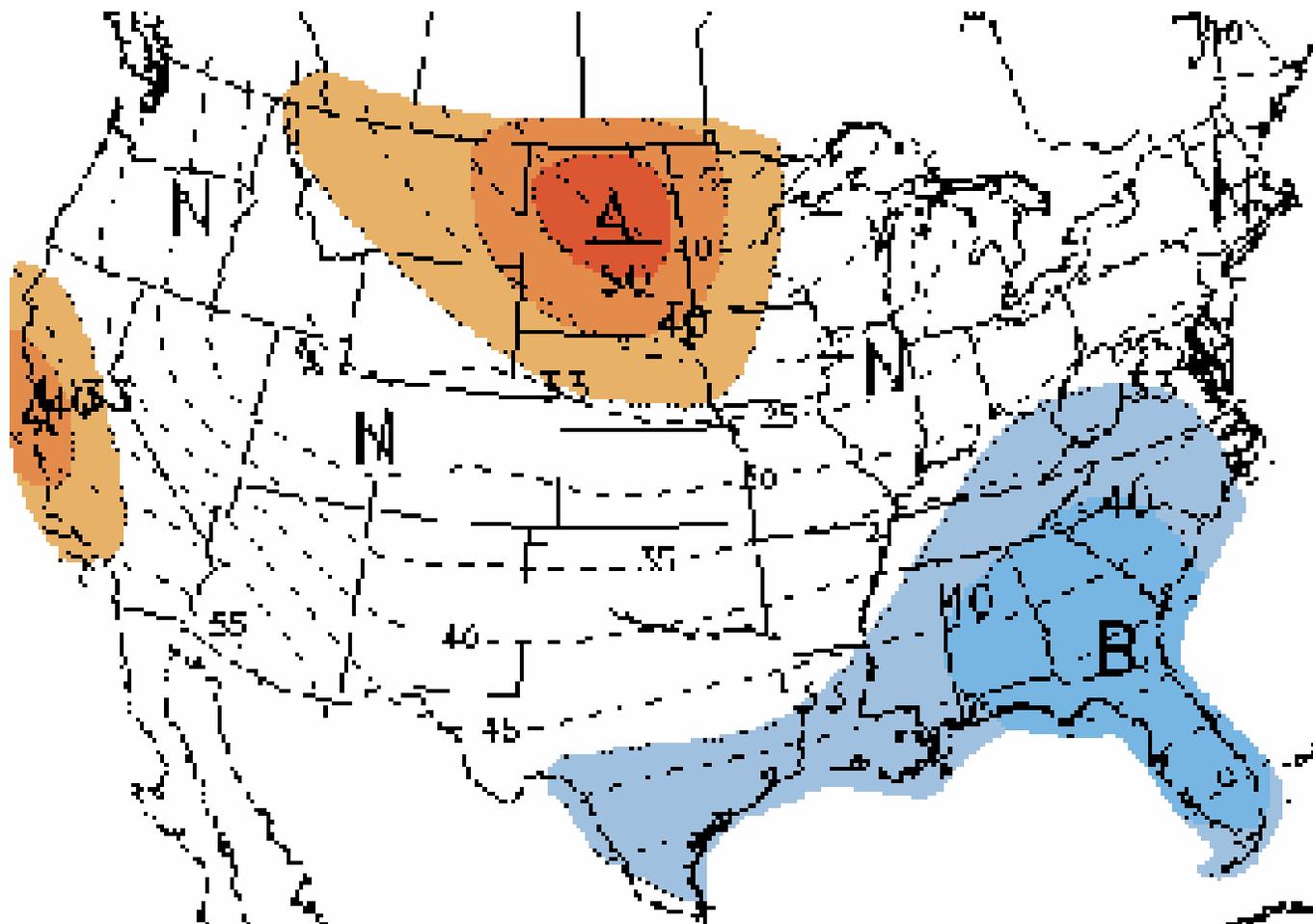
- **Market Fundamentals**
- **Prices and Market Analysis**

Office of Enforcement
Federal Energy Regulatory Commission
January 2008



Market Fundamentals

NOAA's 8 to 14 Day Temperature Forecast Made January 9, Valid for January 17-23, 2008



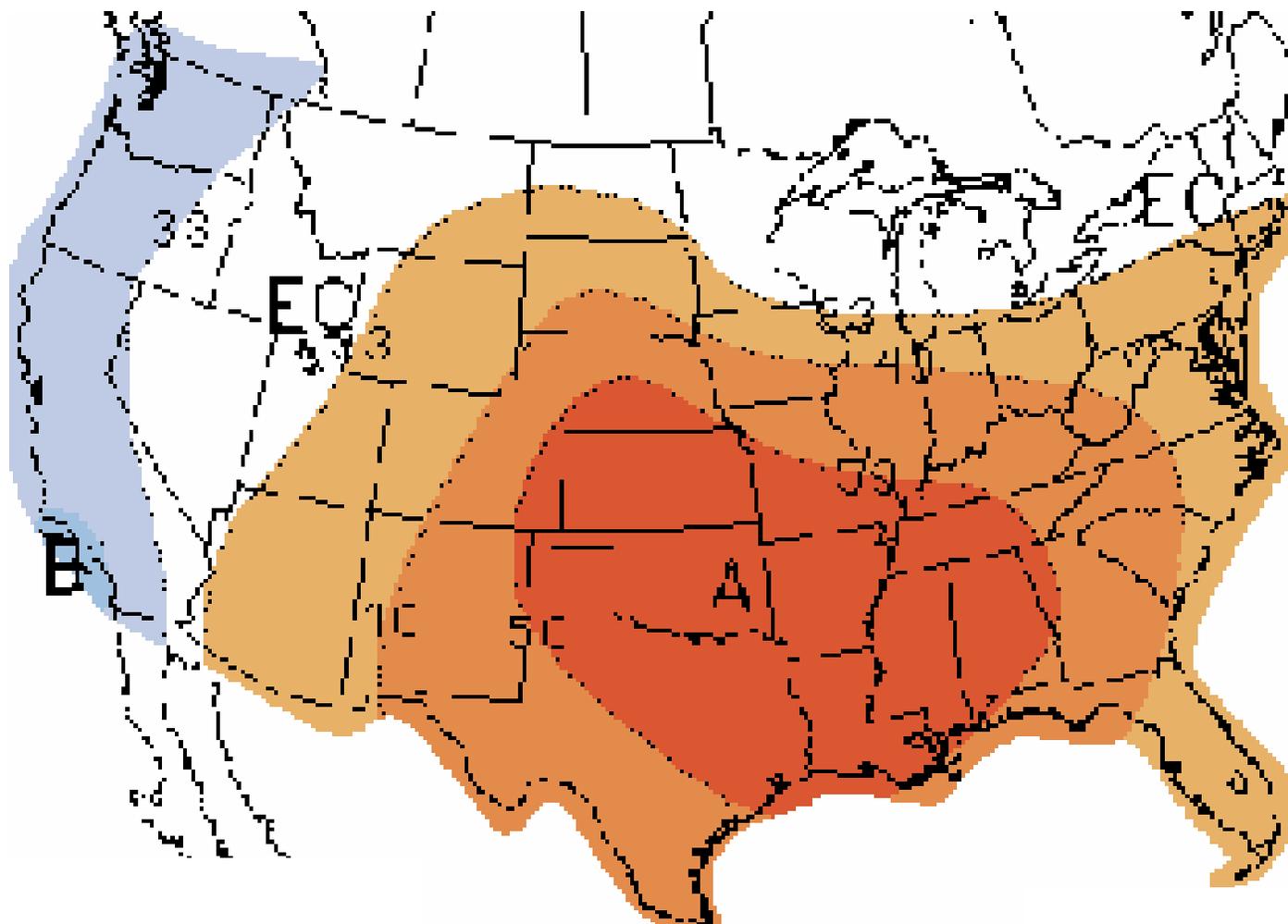
Note: "A" areas are above normal and "B" areas are below normal. Normal is based on the last 30 years of data.

Source: NOAA

Updated January 10, 2008

3012

NOAA's Monthly Temperature Forecast Made December 31, Valid for January 2008



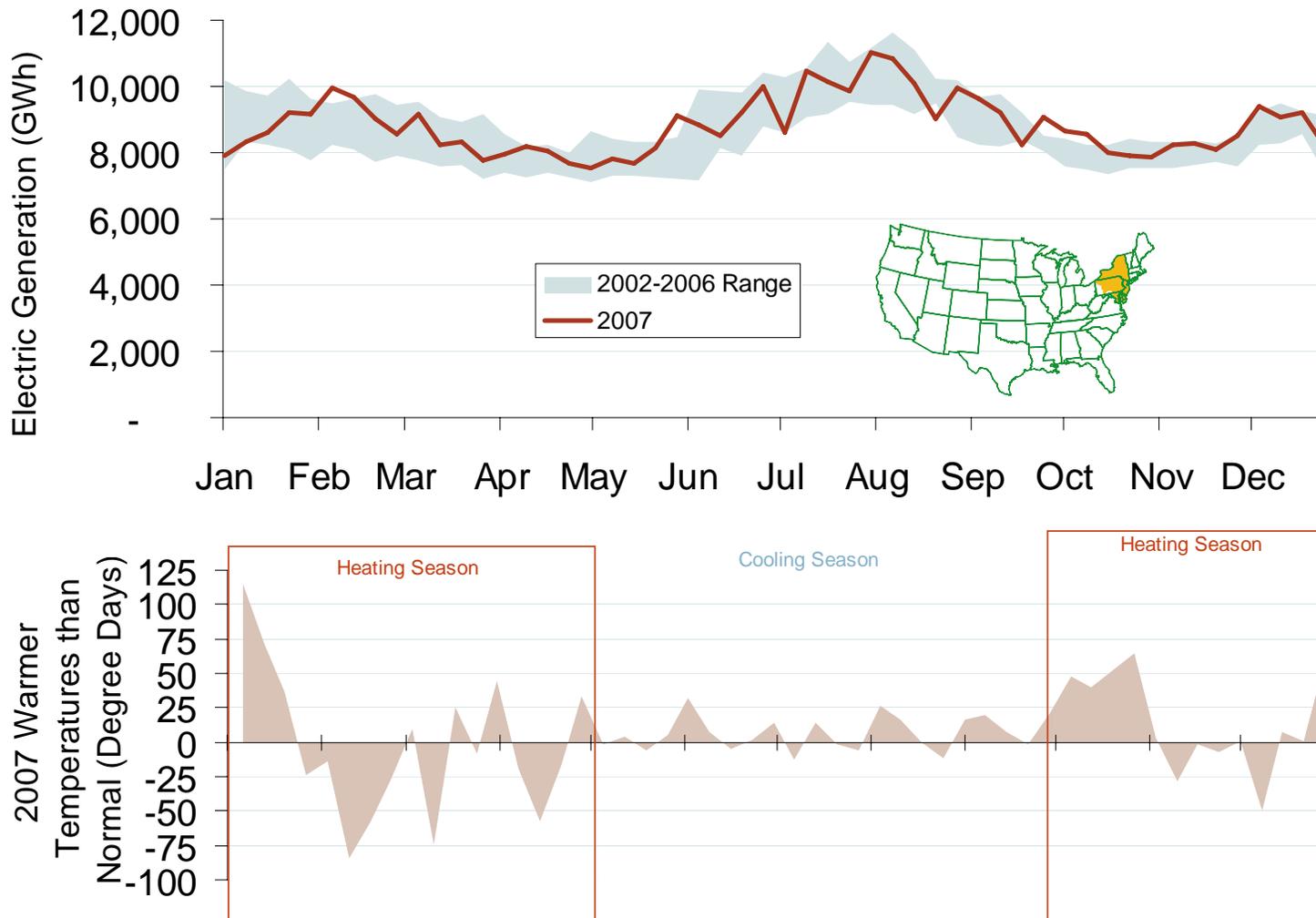
Note: "A" areas are above normal, "B" areas are below normal and "EC" means equal chance. Normal based on the last 30 years of data.

Source: NOAA

Updated January 10, 2008

3012

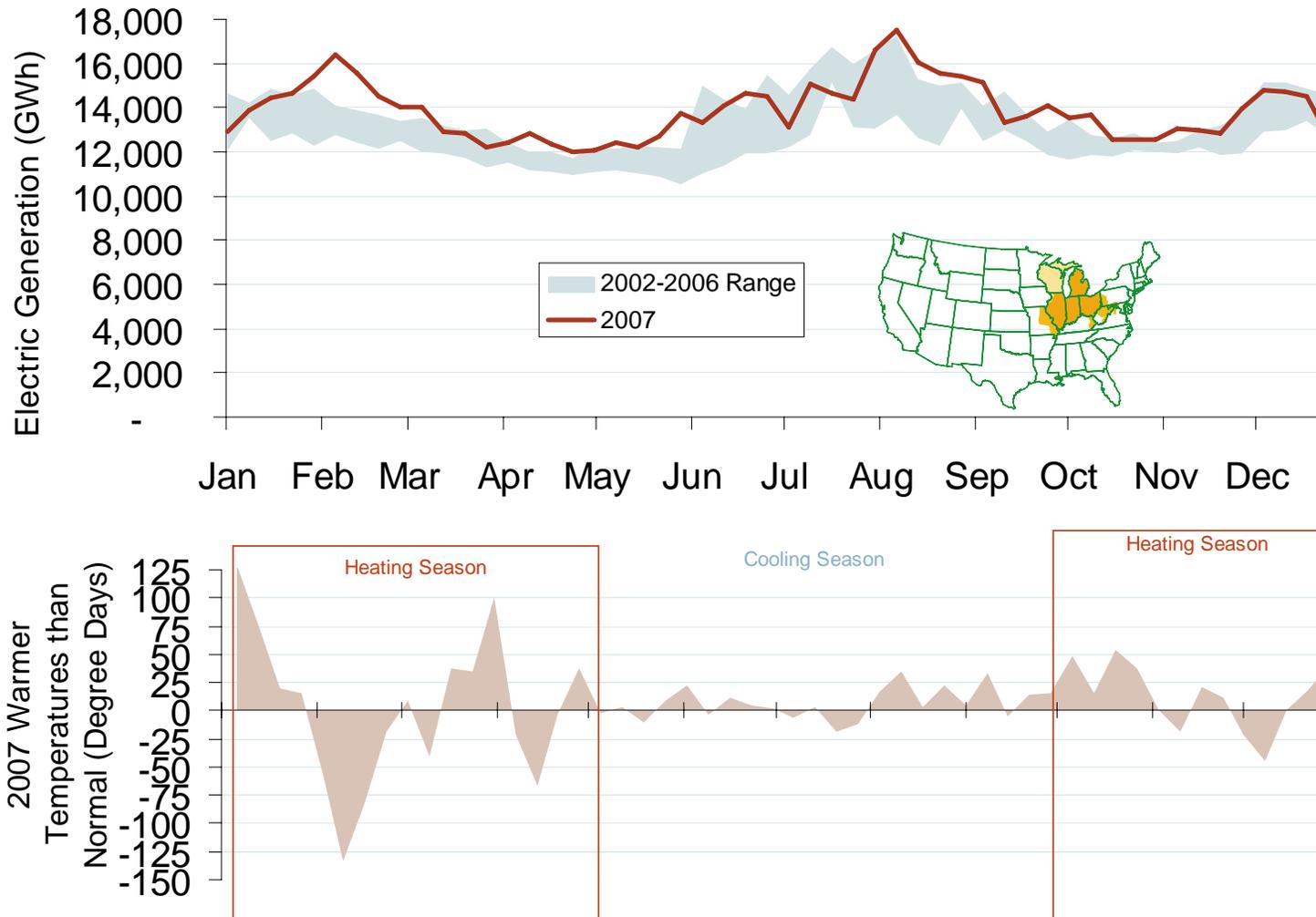
Weekly Electric Generation Output and Temperatures Mid Atlantic Region



Source: Derived from EEI and NOAA data.

Updated January 9, 2008

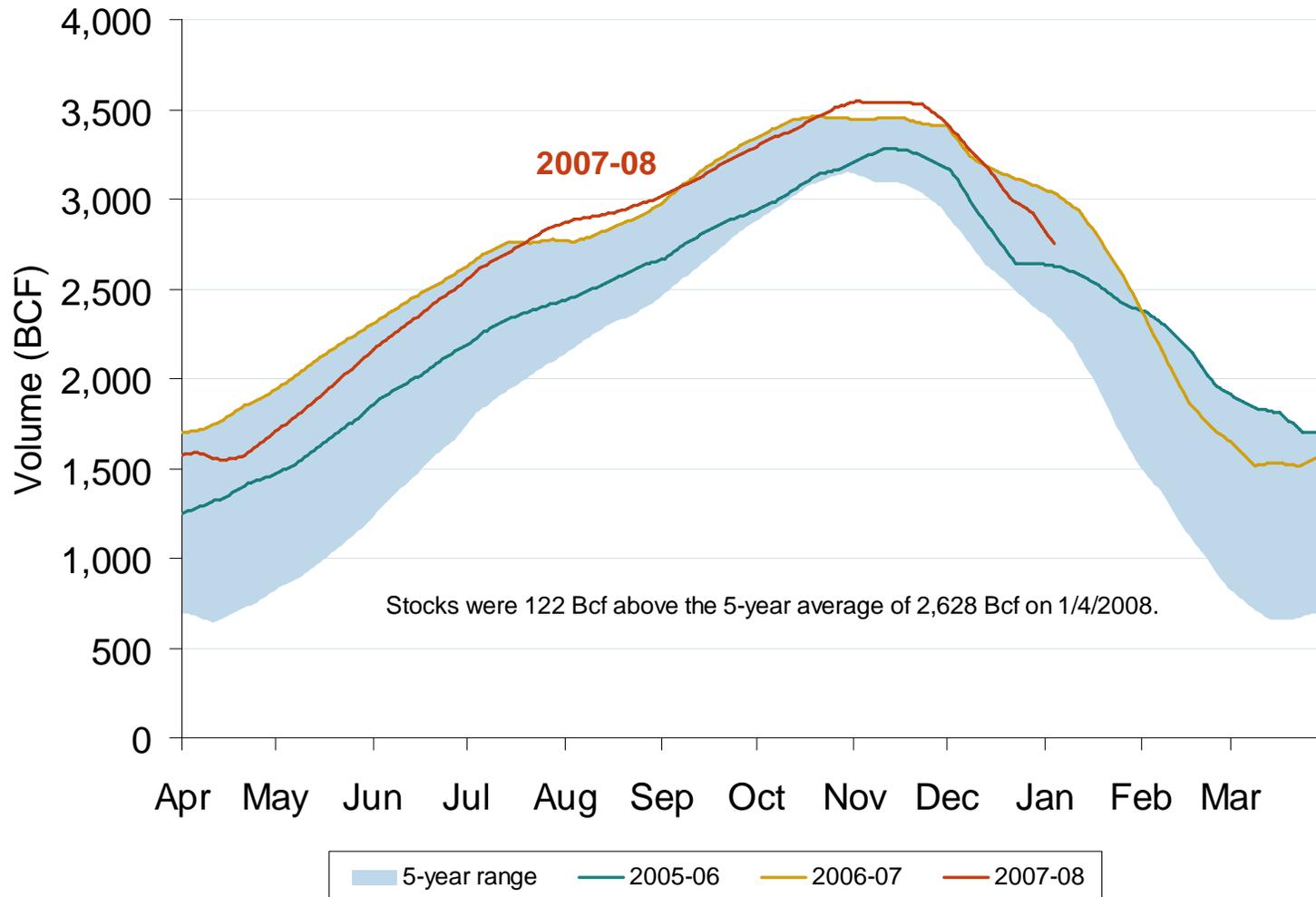
Weekly Electric Generation Output and Temperatures Central Industrial Region



Source: Derived from EEI and NOAA data.

Updated January 9, 2008

Total U.S. Working Gas in Storage

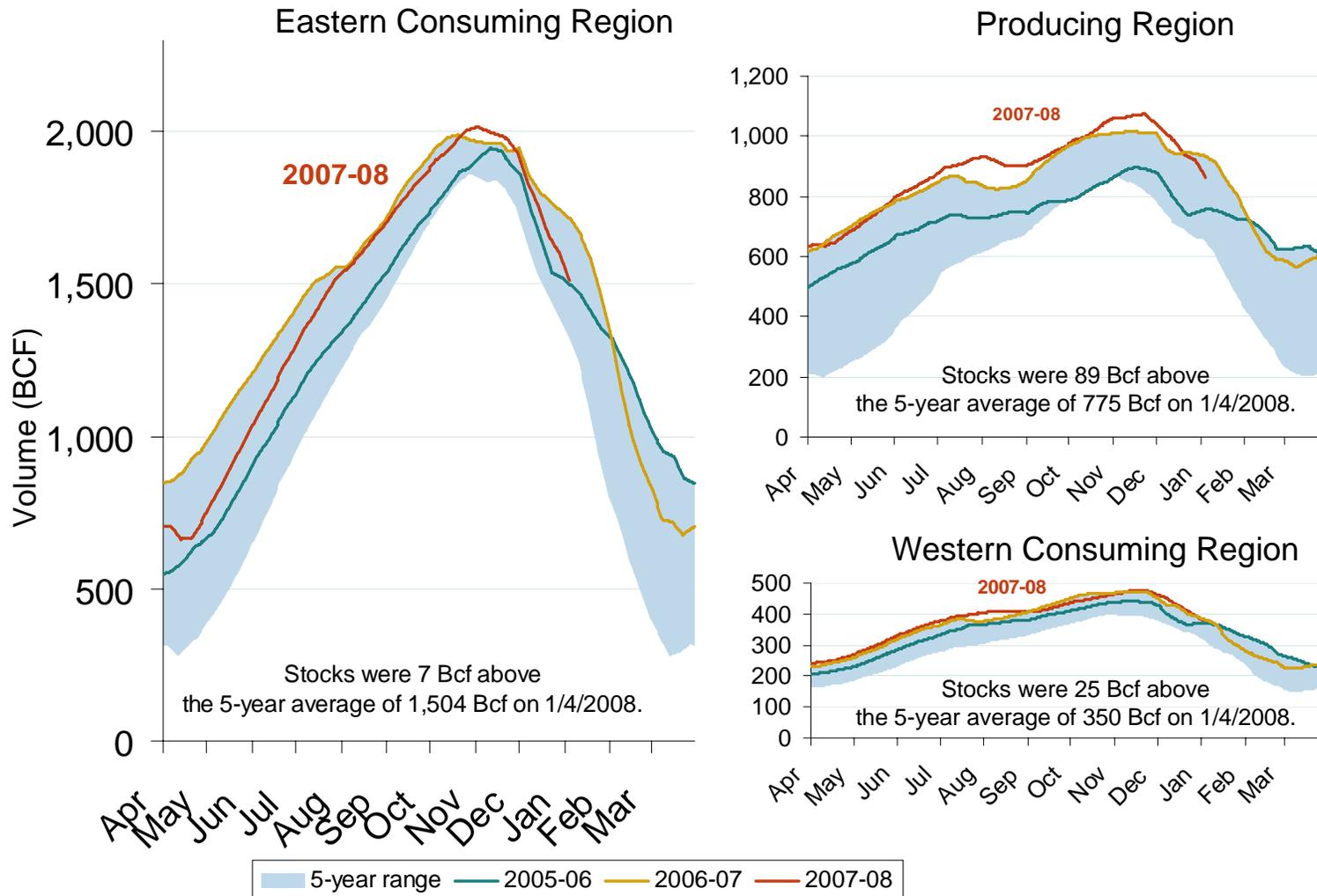


Source: Derived from EIA data.

Updated January 10, 2008

2003

Regional Totals of Working Gas in Storage

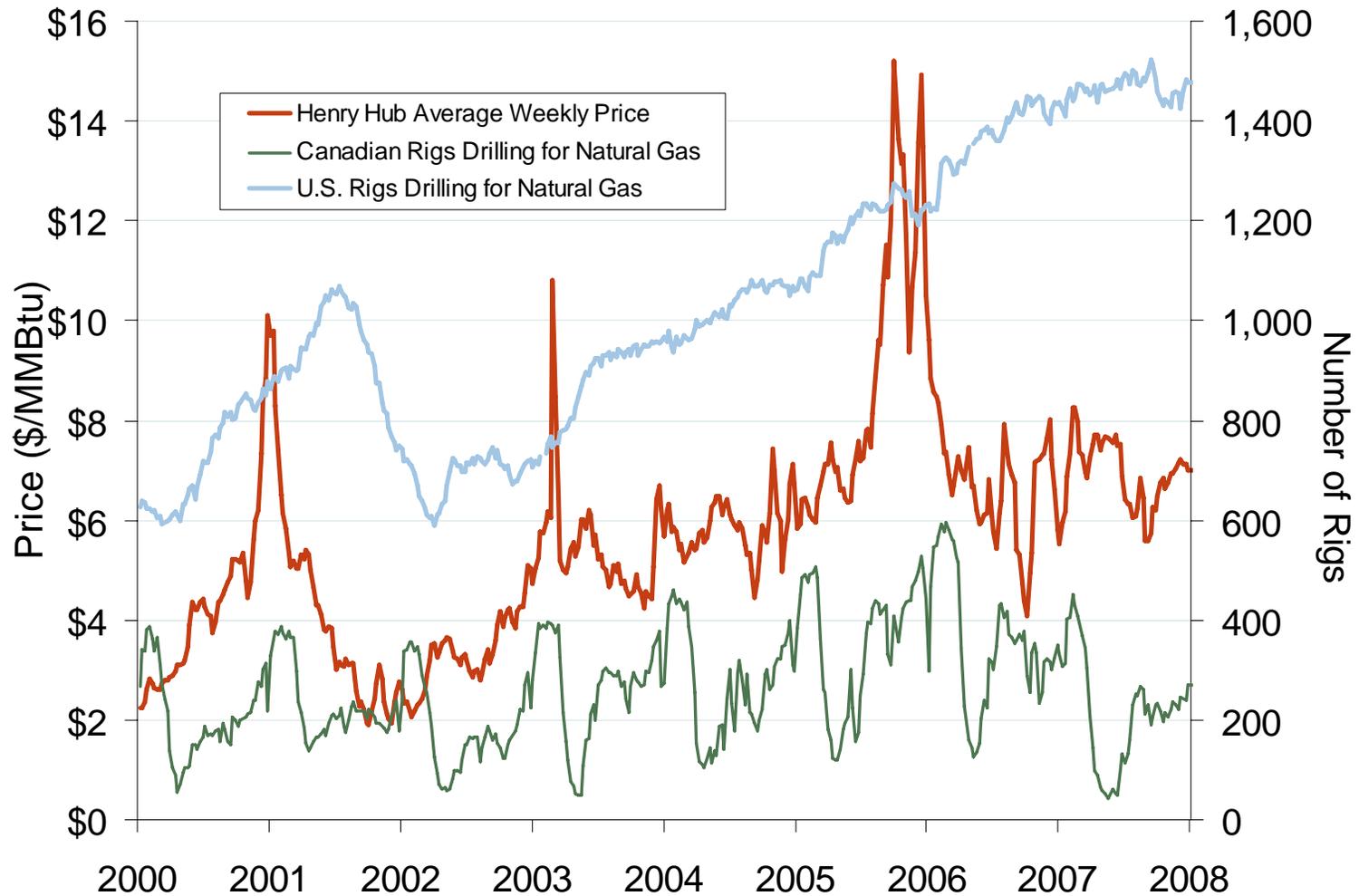


Source: Derived from EIA data.

Updated January 10, 2008

2004

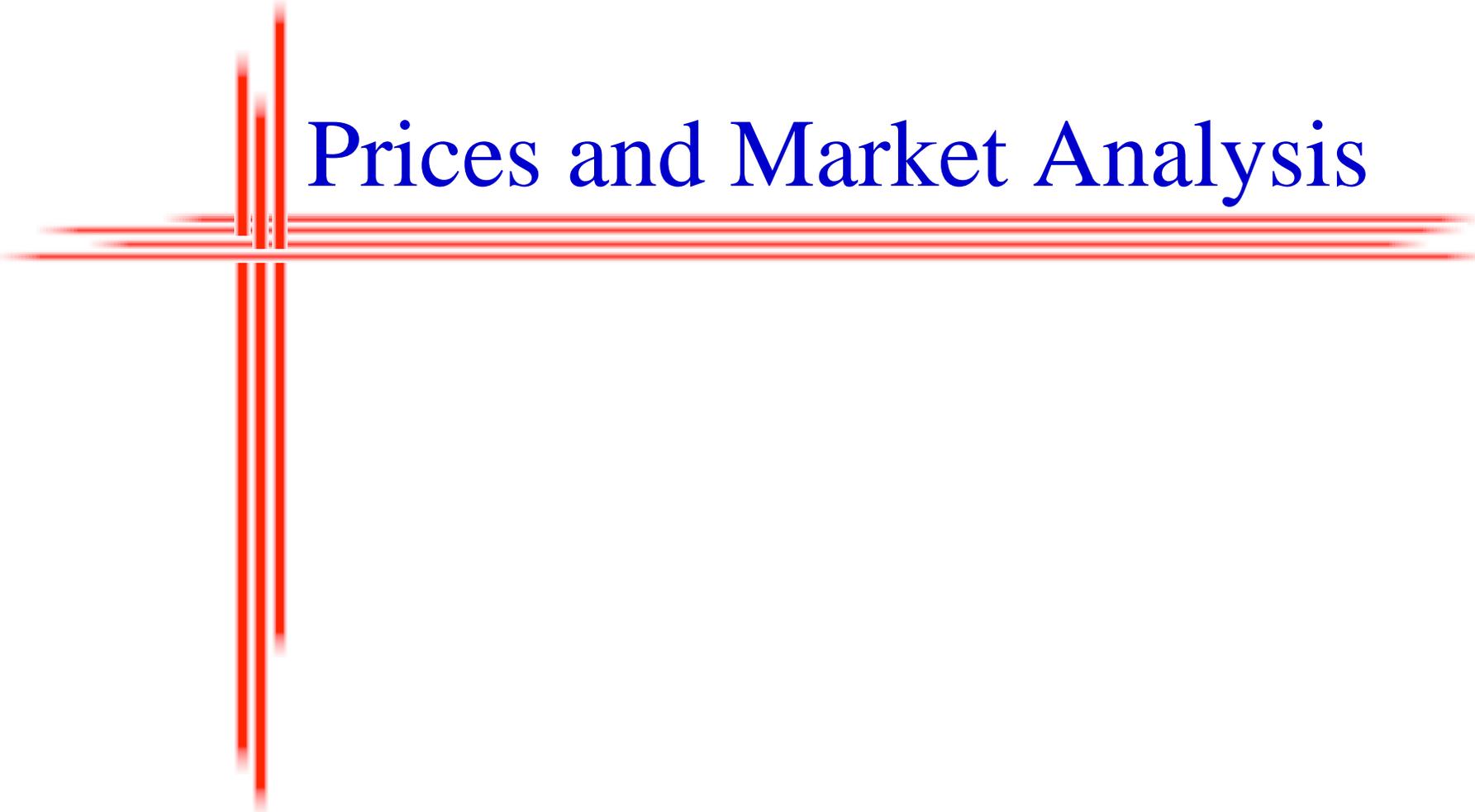
U.S. and Canadian Natural Gas Drilling Rig Count and Daily Spot Prices



Source: Derived from *Platts* and *Baker Hughes* data.

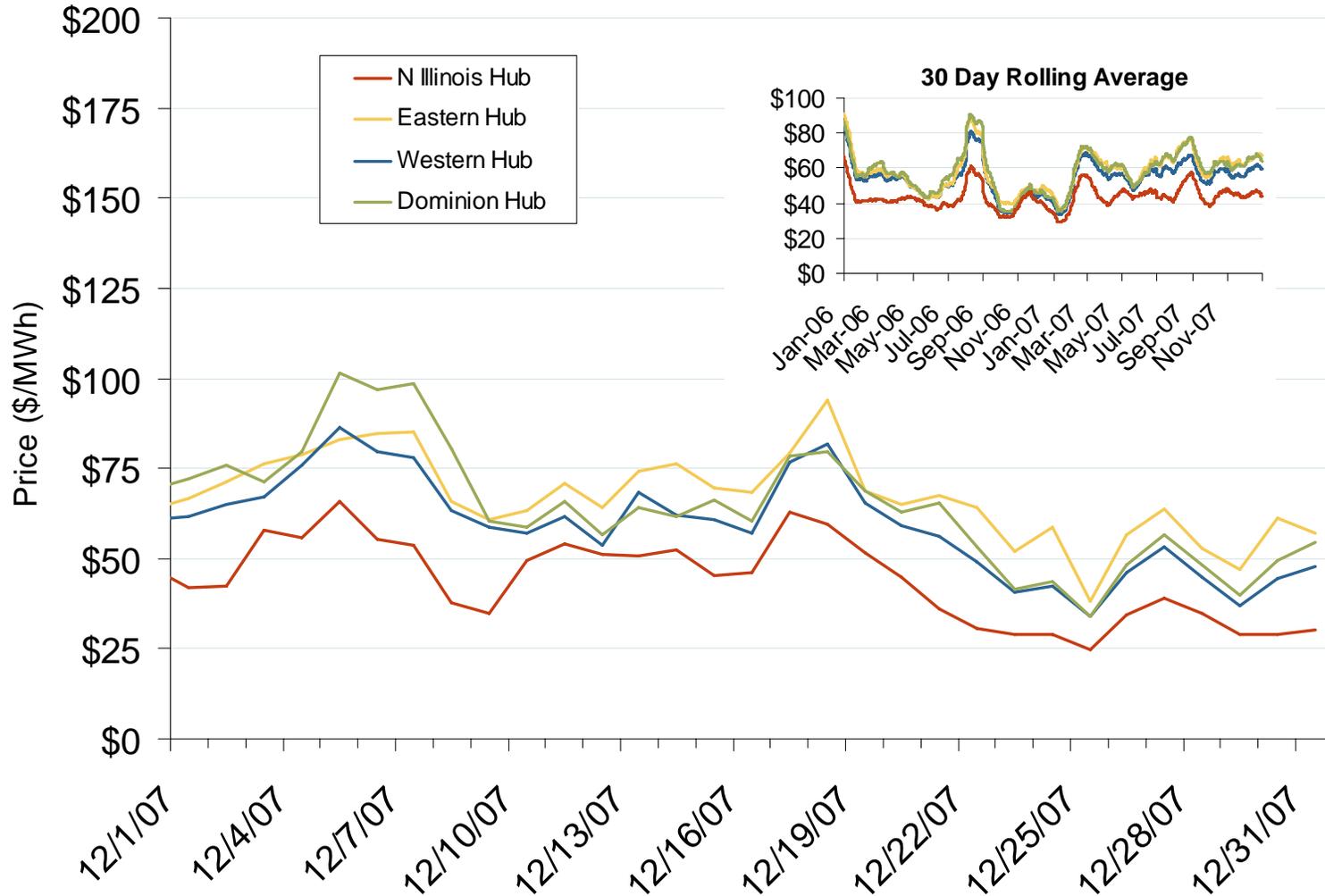
Updated January 9, 2008

2007



Prices and Market Analysis

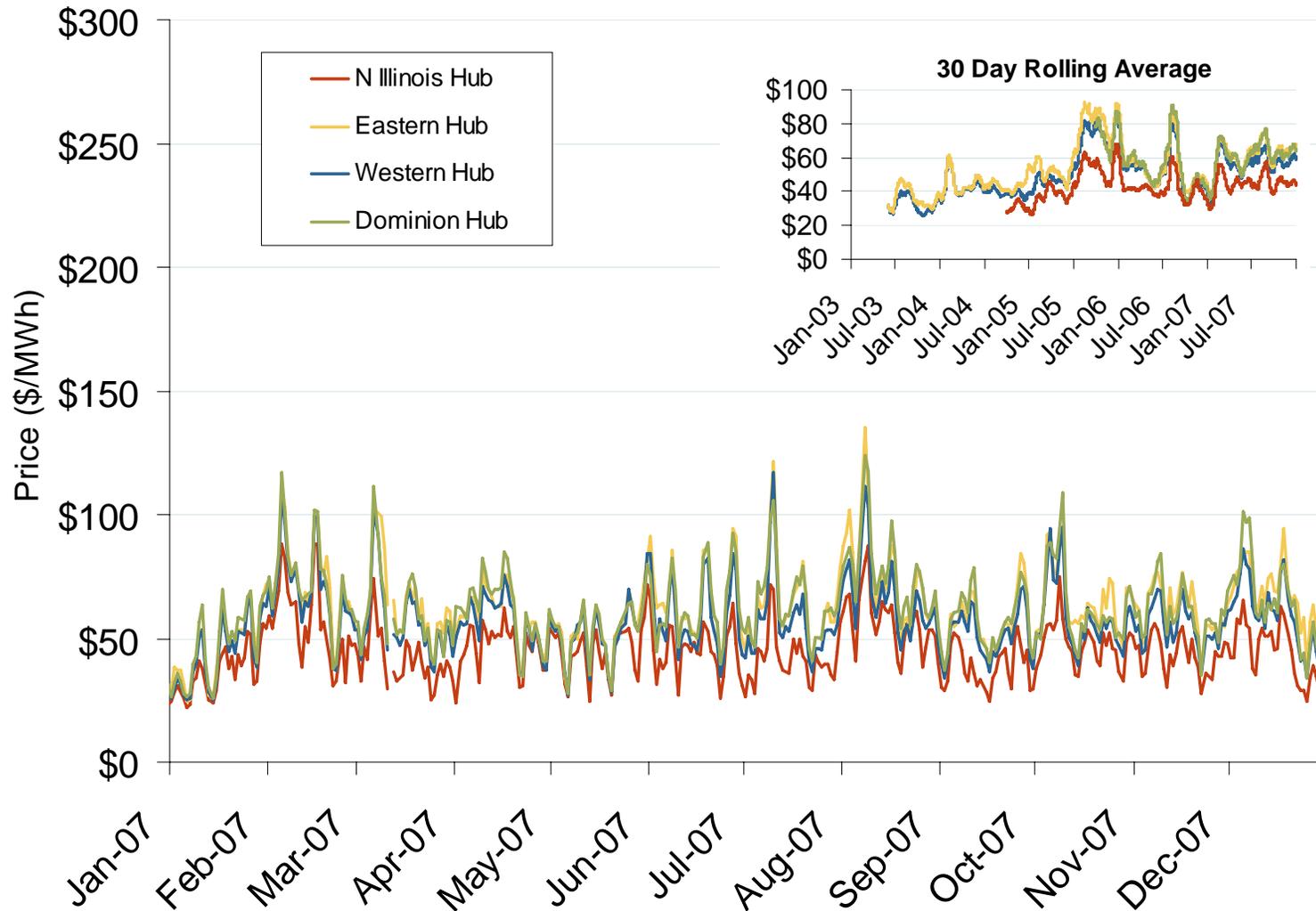
Daily Average of PJM Day-Ahead Prices - All Hours



Source: Derived from PJM data.

Updated January 9, 2008 1131

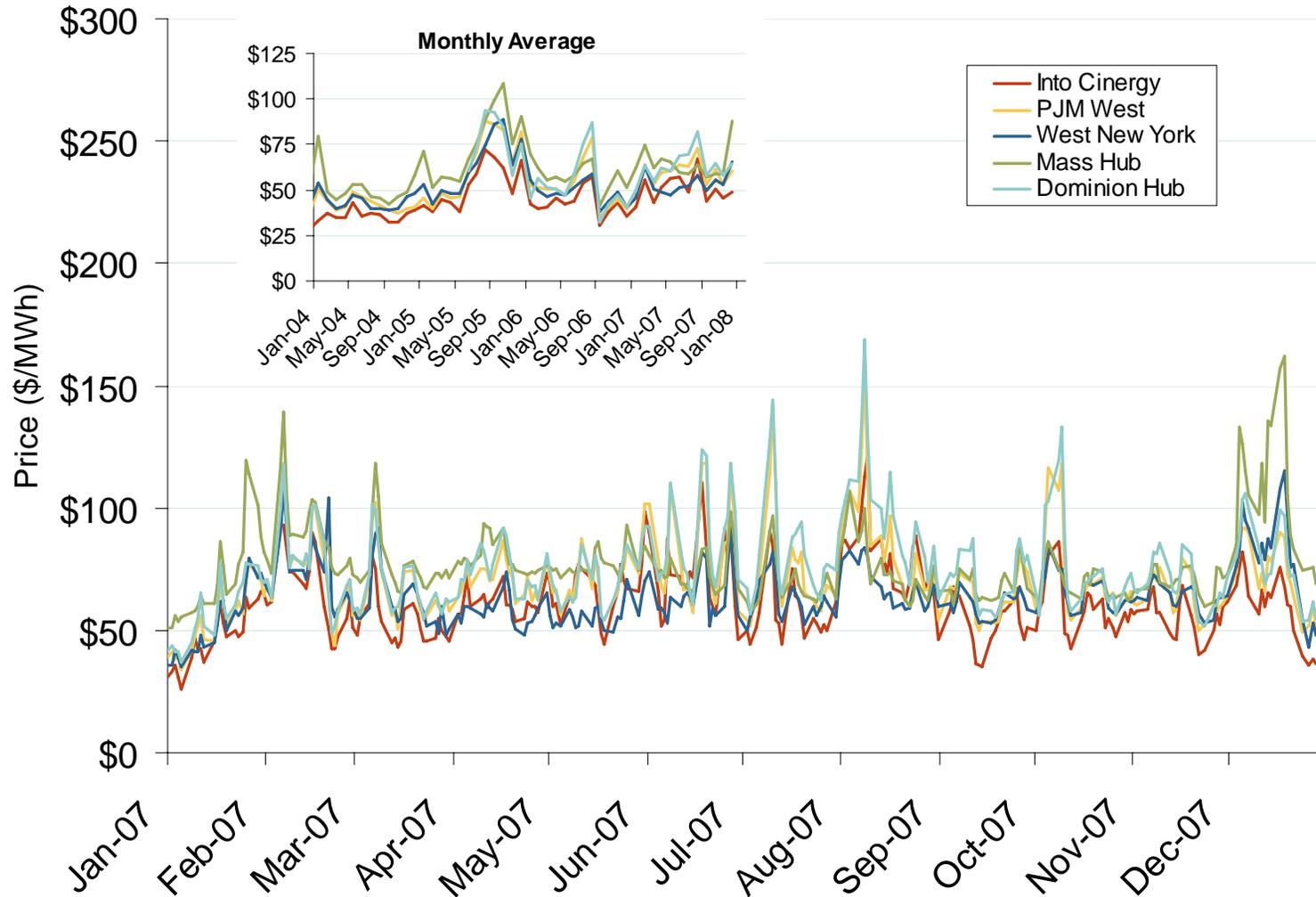
Daily Average of PJM Day-Ahead Prices - All Hours



Source: Derived from PJM data.

Updated January 9, 2008

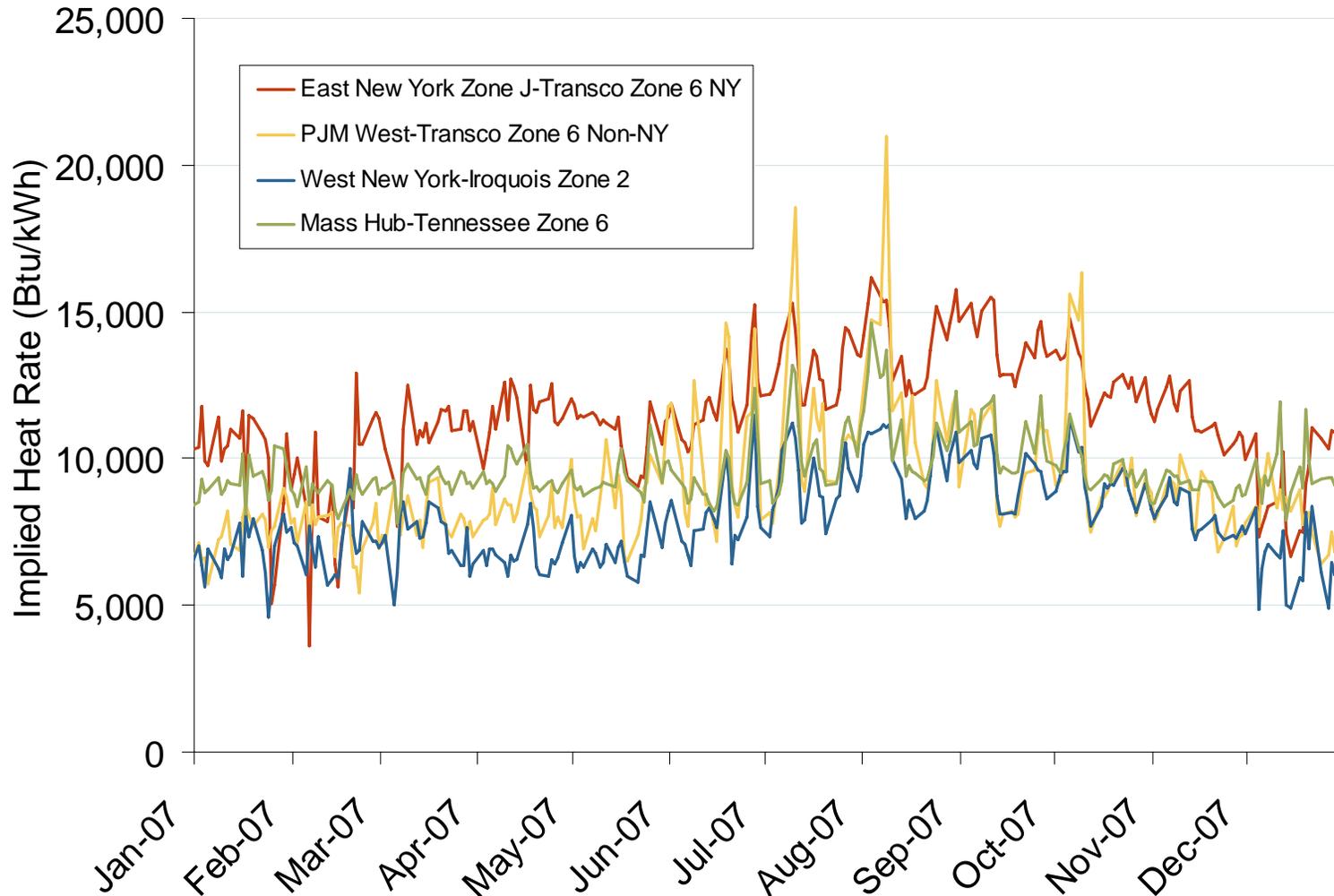
Eastern Daily Bilateral Day-Ahead On-Peak Prices



Source: Derived from *Platts* data.

Updated January 9, 2008

Implied Heat Rates at Eastern Trading Points

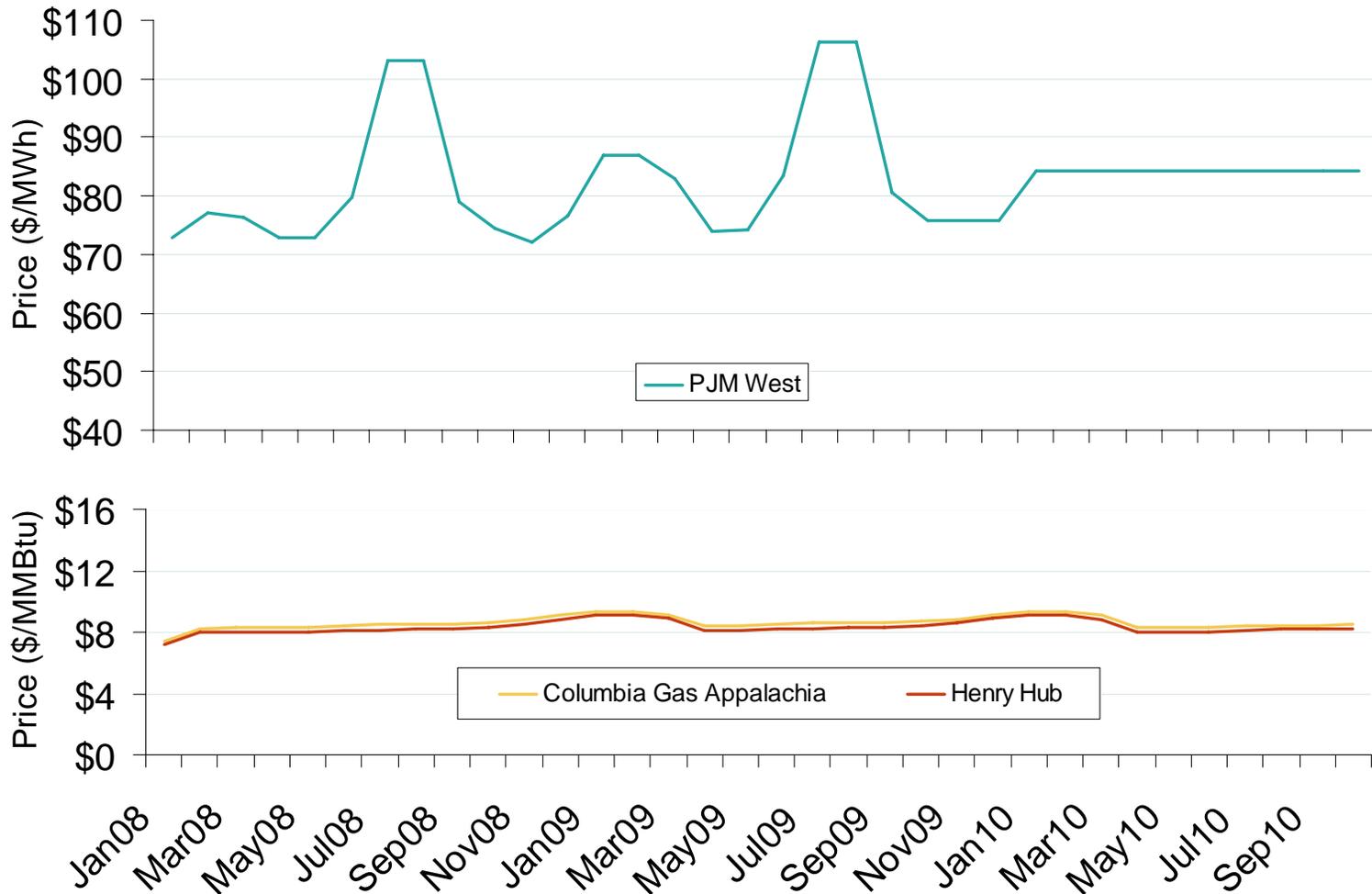


Source: Derived from *Platts* data

Updated January 9, 2008

1138

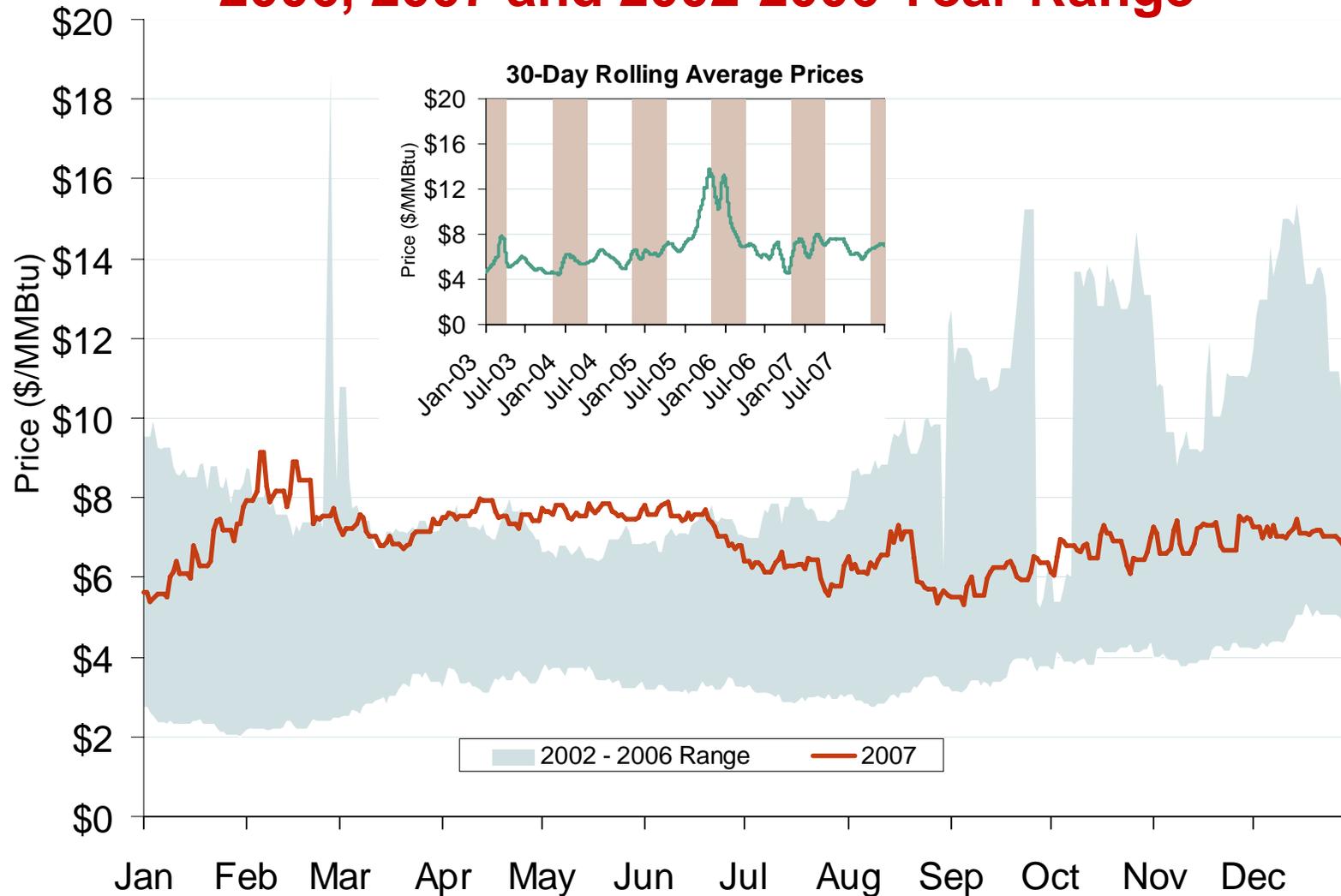
PJM West Electric Forward Price Curve and Selected Natural Gas Forward Curves



Source: Derived from Nymex data.

Updated January 9, 2008

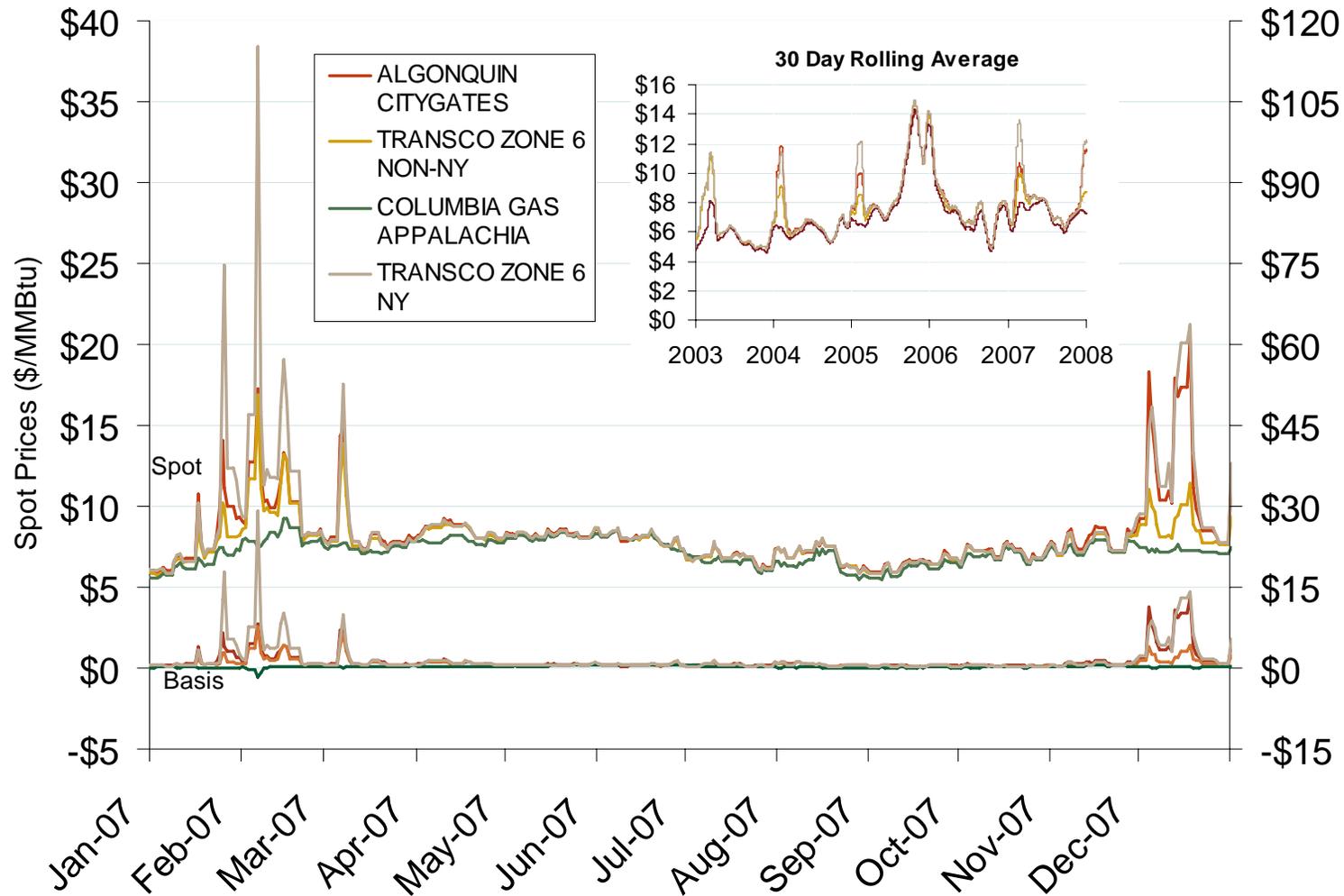
Henry Hub Natural Gas Daily Spot Prices 2006, 2007 and 2002-2006 Year Range



Source: Derived from *Platts* data.

Updated January 9, 2008

Northeastern Spot Prices and Basis

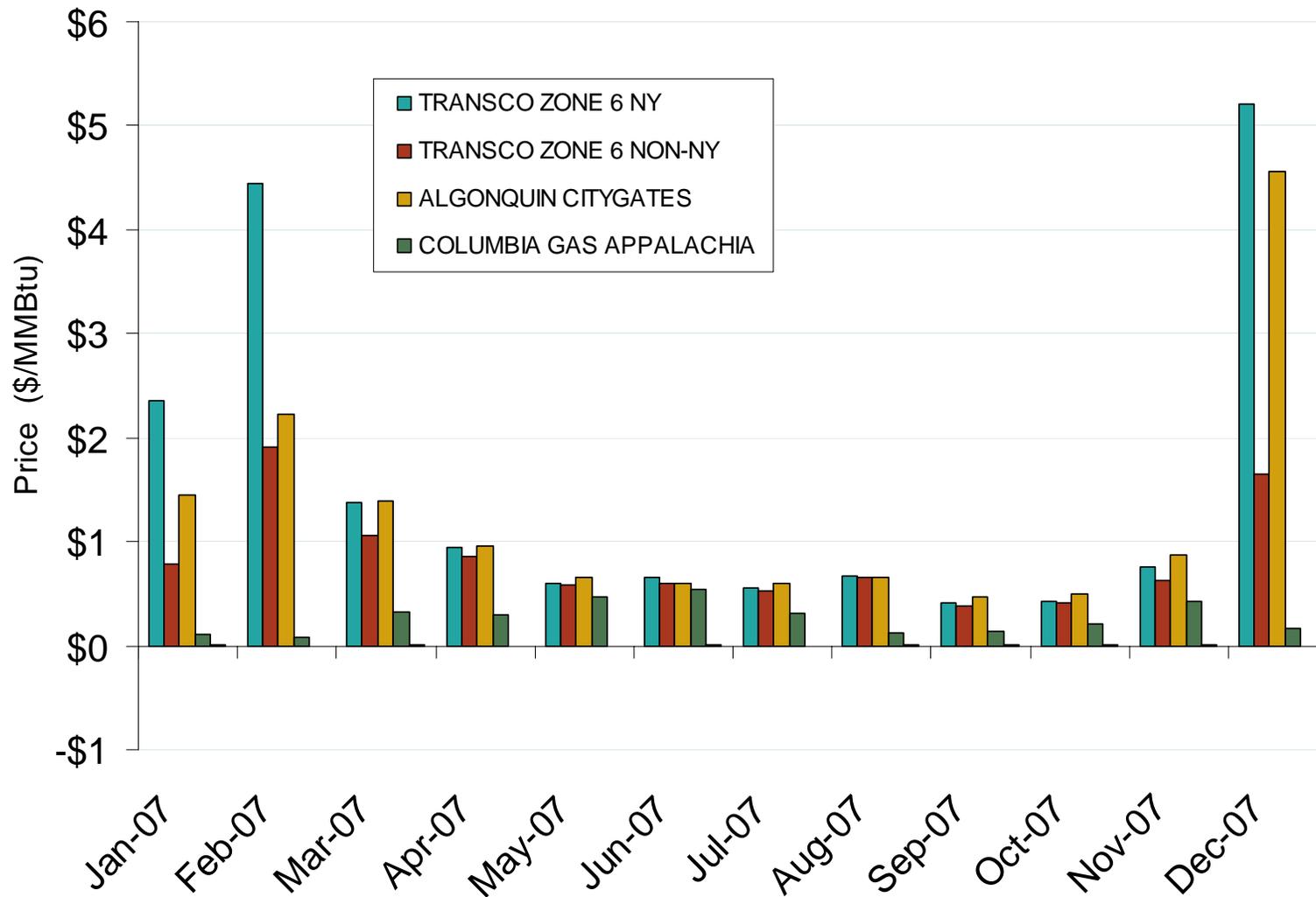


Source: Derived from *Platts* data.

Updated January 9, 2008

2030

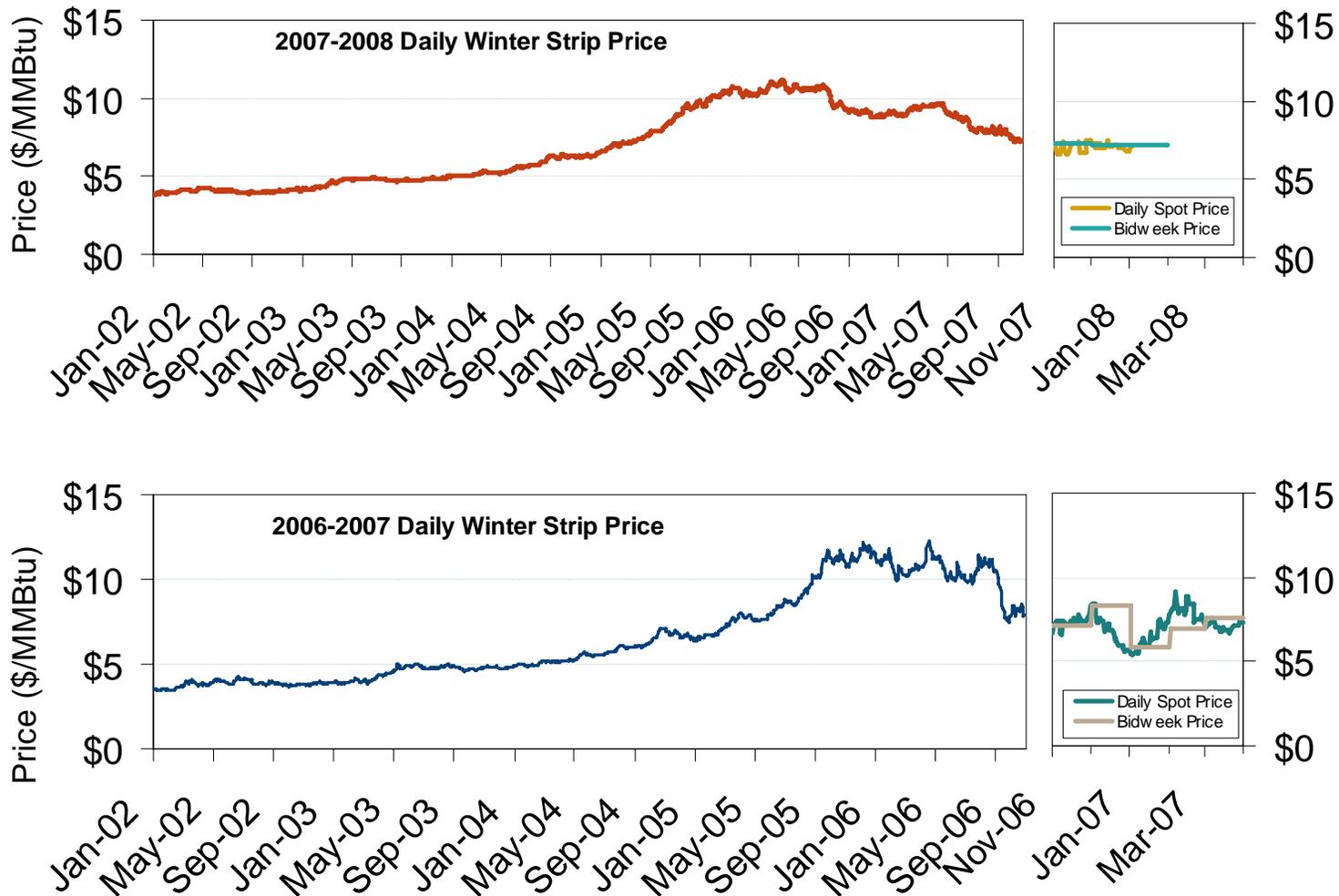
Northeastern Monthly Average Basis Value to Henry Hub



Source: Derived from *Platts* data.

Updated January 9, 2008 2031

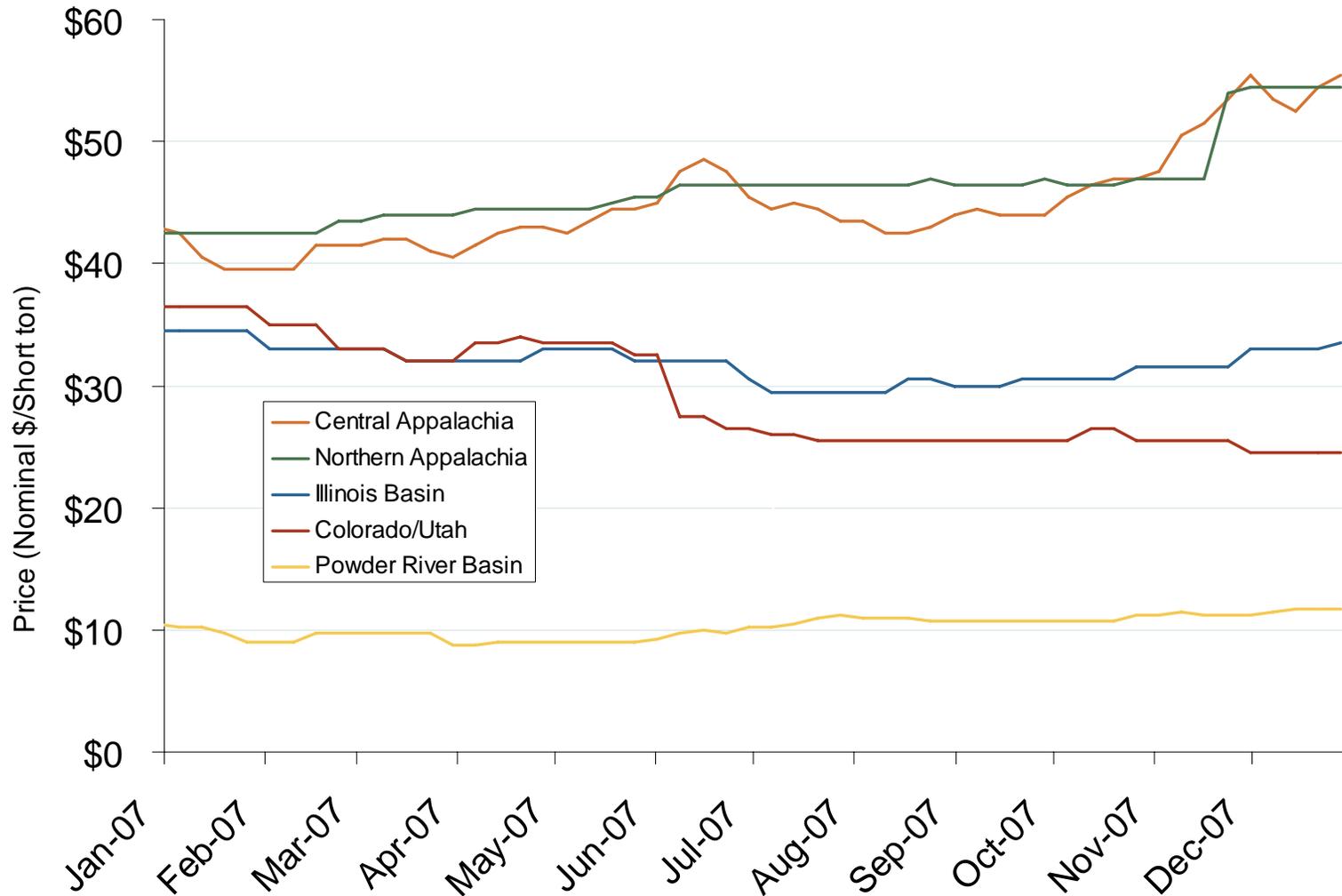
Natural Gas Winter Futures Strip and Daily Henry Hub Spot and Bidweek Prices



Source: Derived from *Platts* and *Nymex* data.

Updated January 9, 2008

Regional Coal Spot Prices

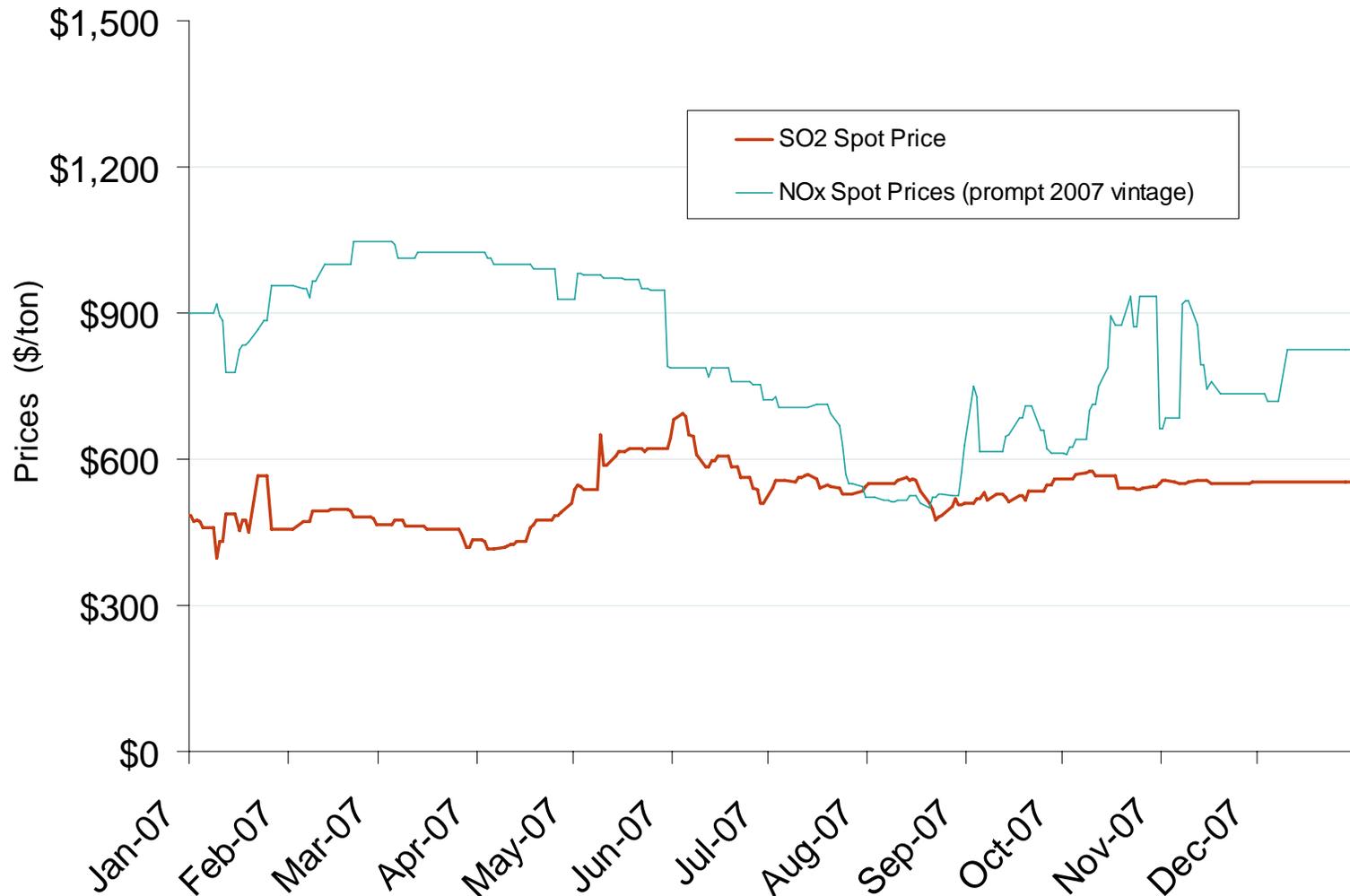


Note: Does not reflect the delivered price of coal; excludes incremental cost of emissions allowances.

Source: Derived from *Bloomberg* data.

Updated January 9, 2008

SO₂ and NO_x Allowance Spot Prices

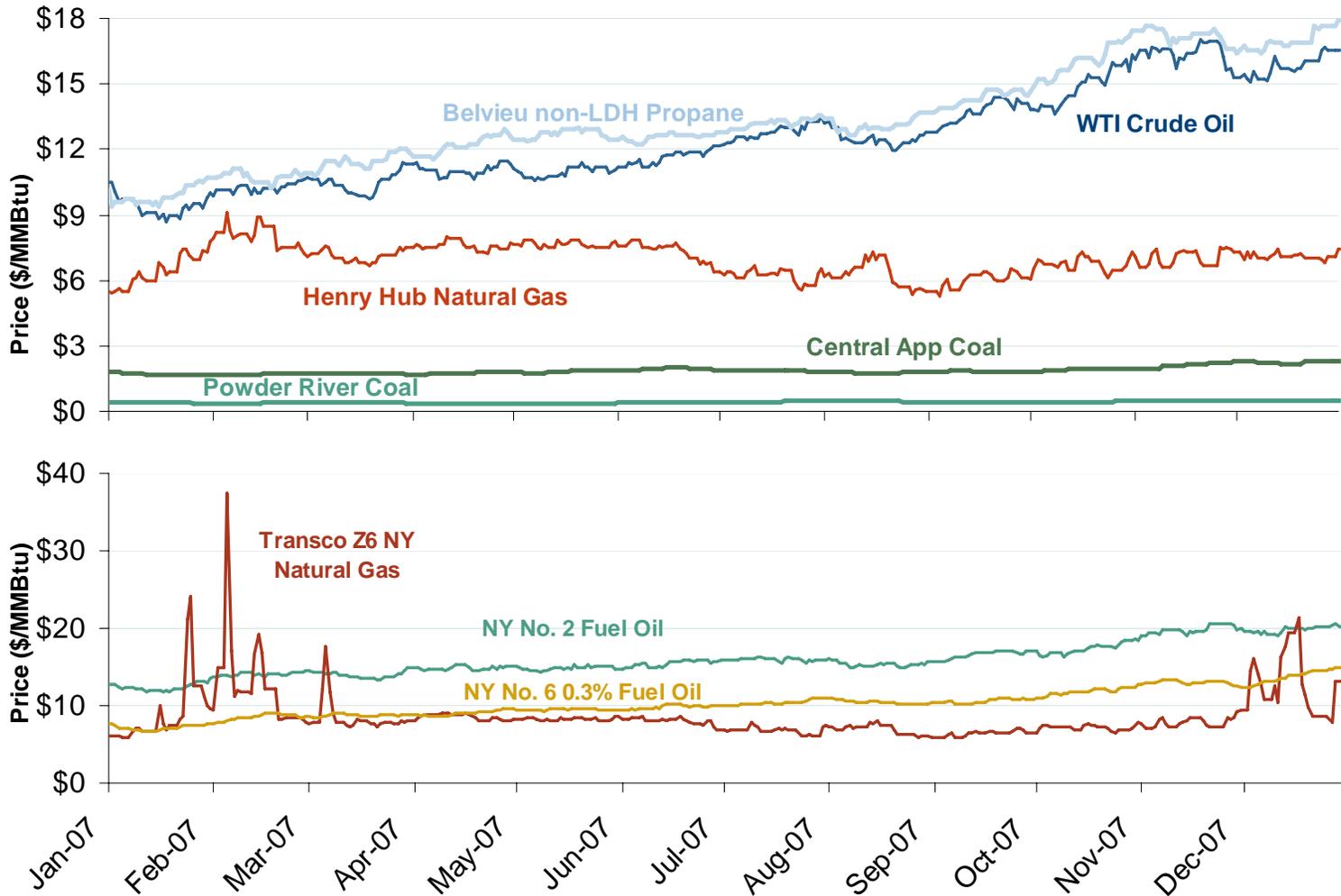


Source: Derived from Cantor Fitzgerald data.

See notes on following pages.

Updated January 9, 2008

Oil, Coal, Natural Gas and Propane Daily Spot Prices



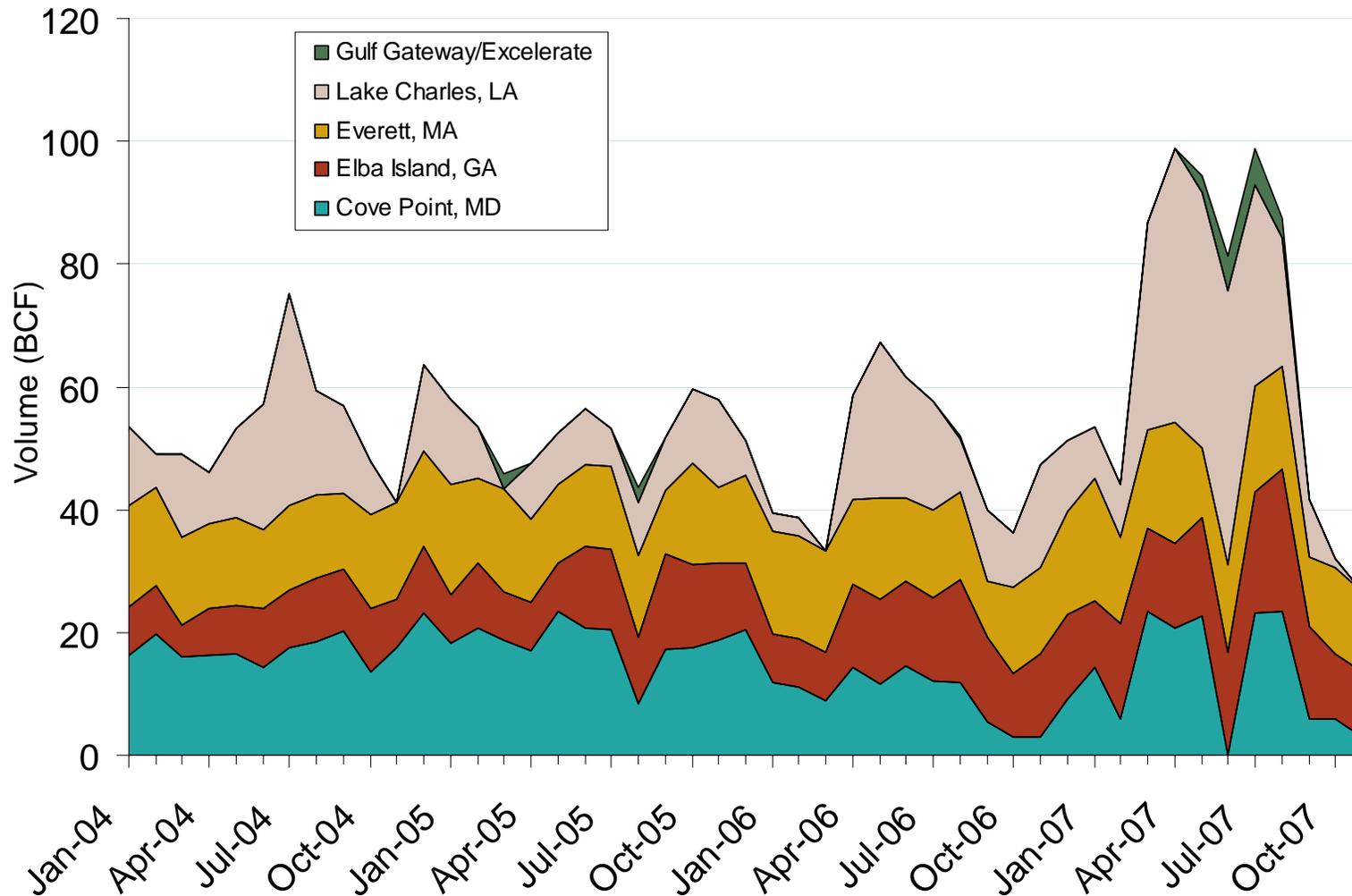
Source: Derived from ICE and Bloomberg data.

Note: Coal prices are quoted in \$/ton. Conversion factors to \$/MMBtu are based on contract specifications of 12,000 btus/pound for Central Appalachian coal and 8800 btus/pound for Powder River Basin coal.

Updated January 9, 2008

3001

Monthly Gas Imports at Existing U.S. LNG Facilities

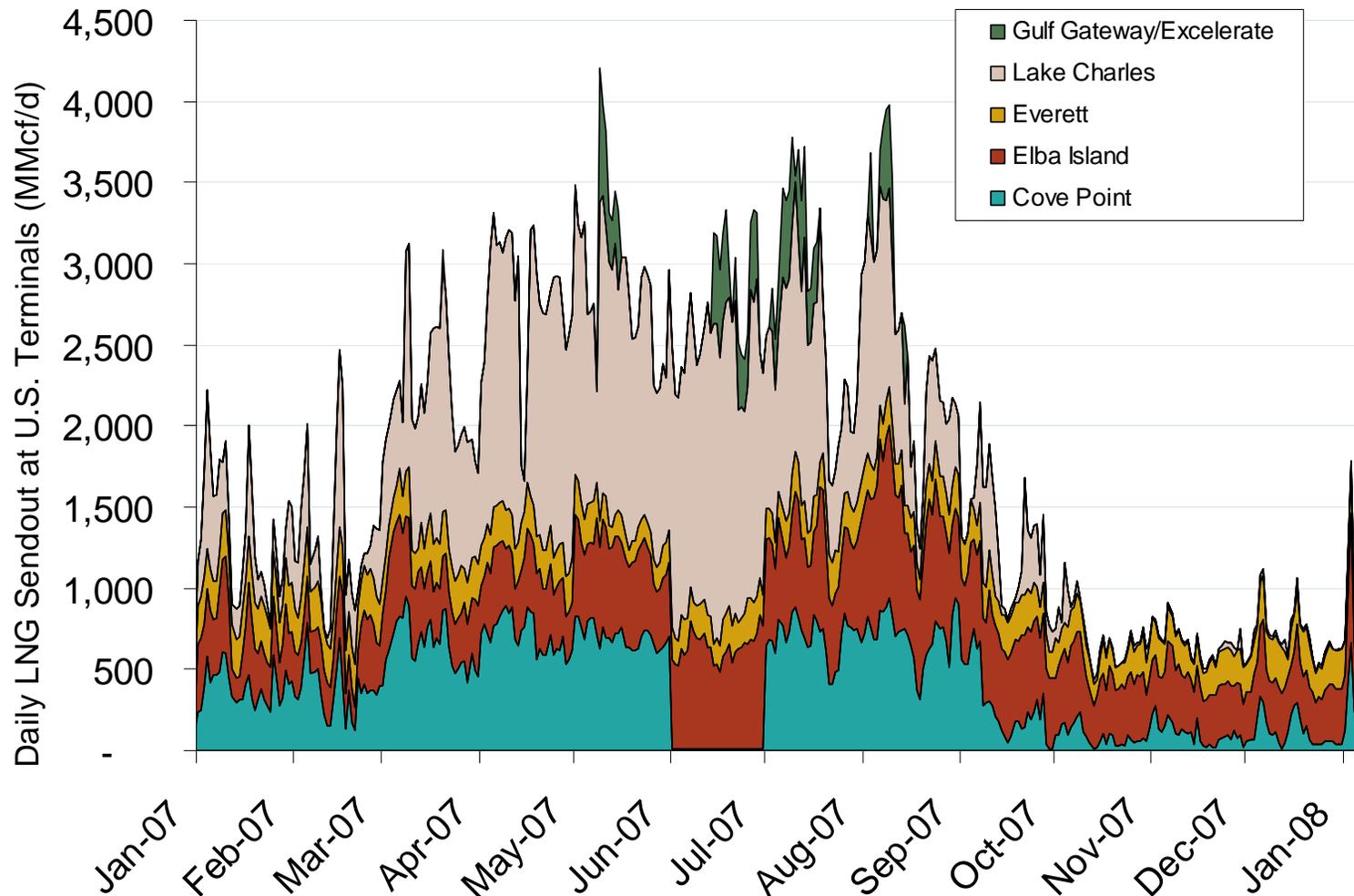


Source: Derived from EIA data.

Updated January 9, 2008

3014

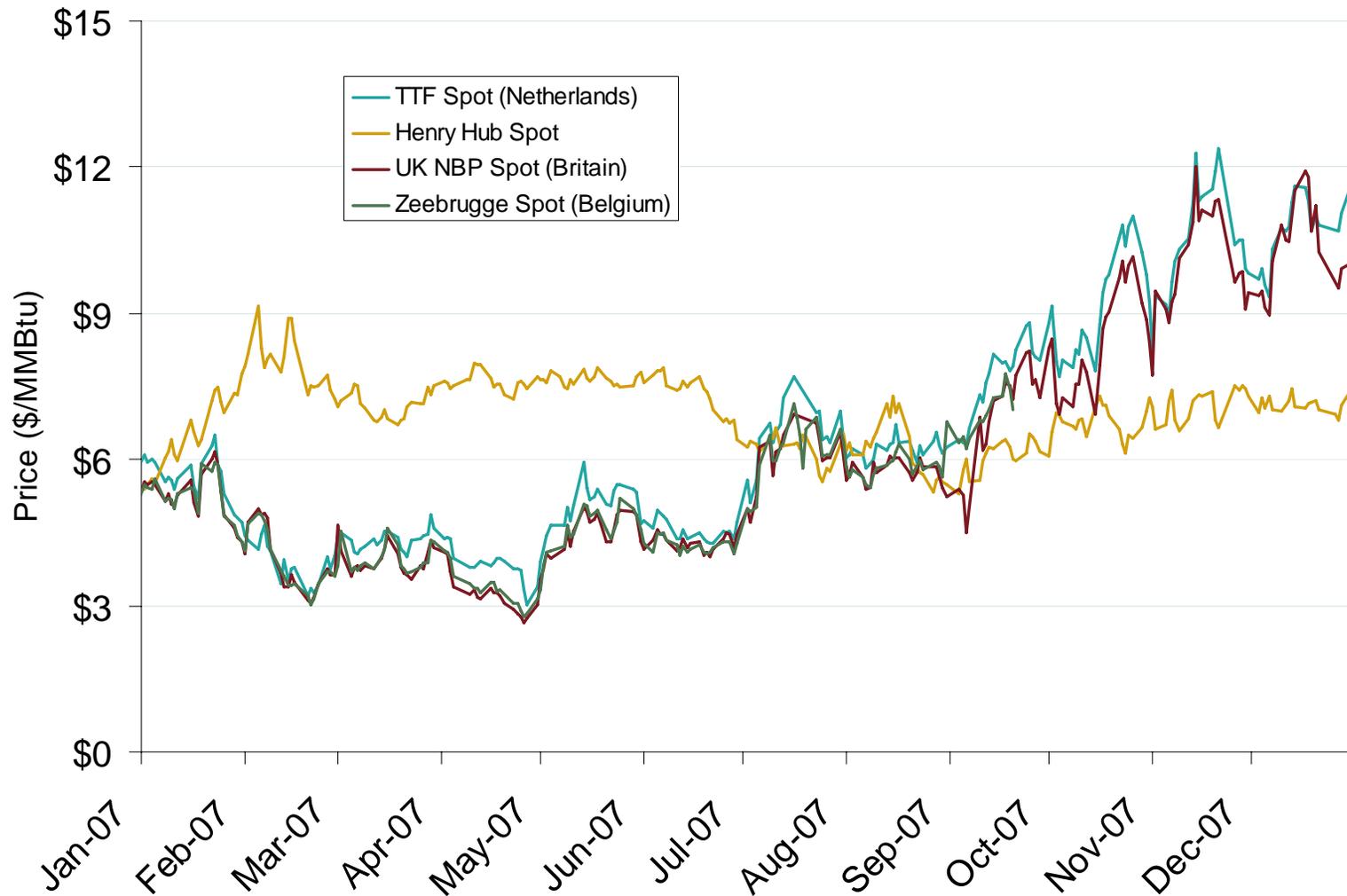
Daily Gas Sendout from Existing U.S. LNG Facilities



Source: Derived from *Bentek* data. Excludes Everett LNG delivered via truck and consumed by the Mystic plant.

Updated January 9, 2008

European and U.S. Spot Natural Gas Prices

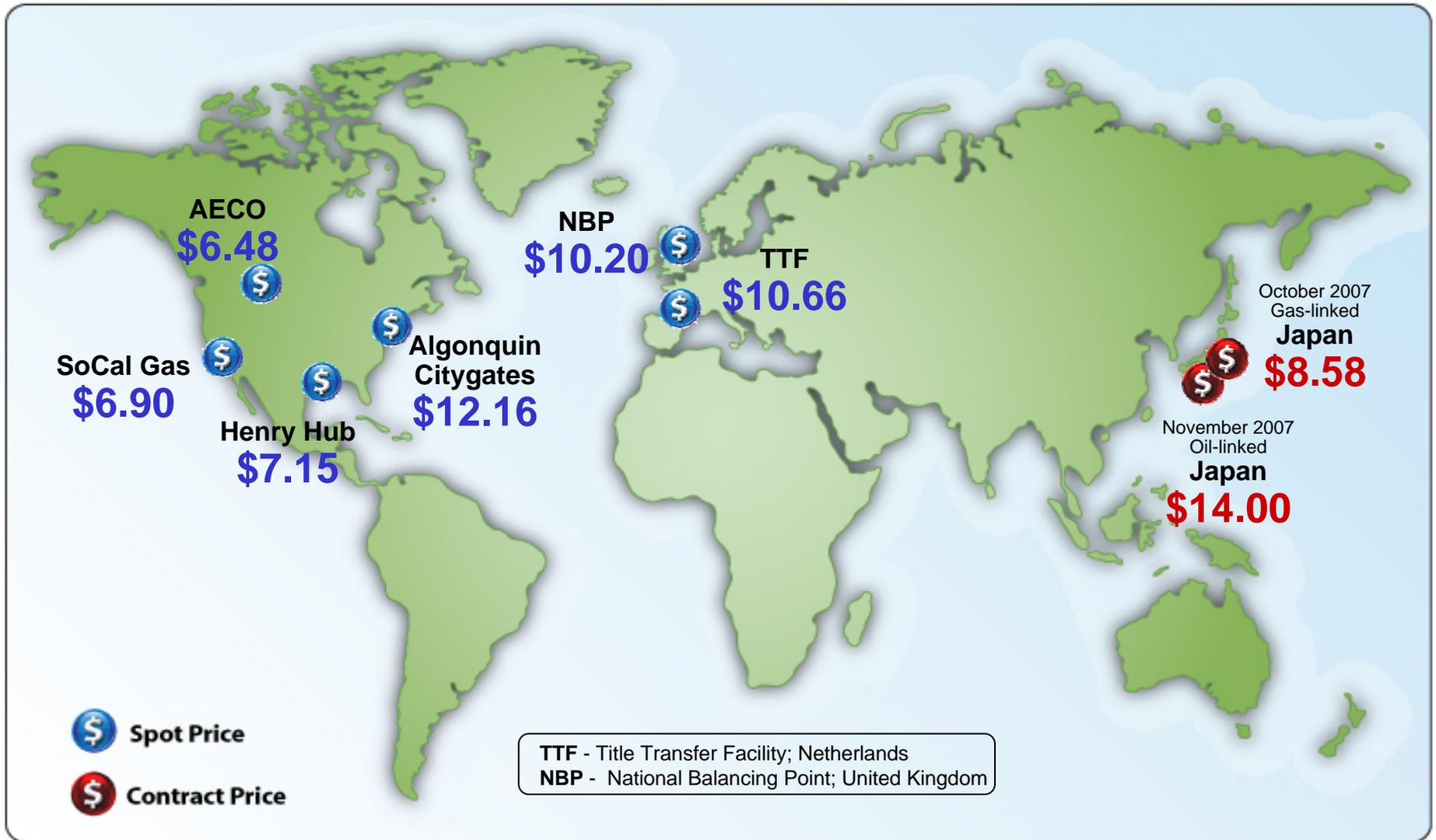


Source: Derived from *Bloomberg* and *ICE* data.

Updated January 9, 2008

3008

World Natural Gas Prices for December 2007

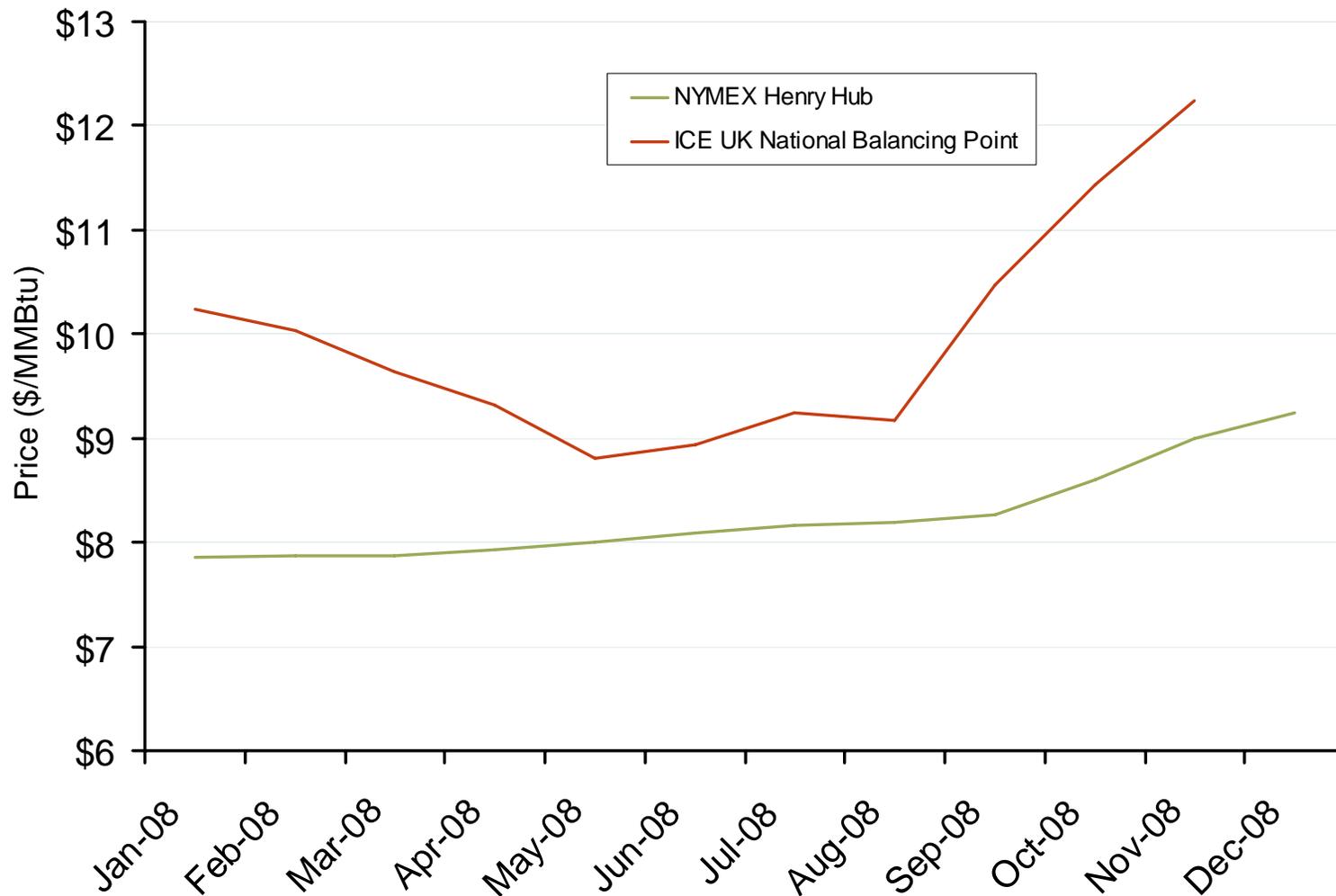


Source: Derived from *Bloomberg, ICE, ICAP and LNG Japan Corp.* data. Spot Price is a monthly average of daily prices. Contract Price is a monthly price. All prices in \$US/MMBtu.

Updated January 9, 2008

3017

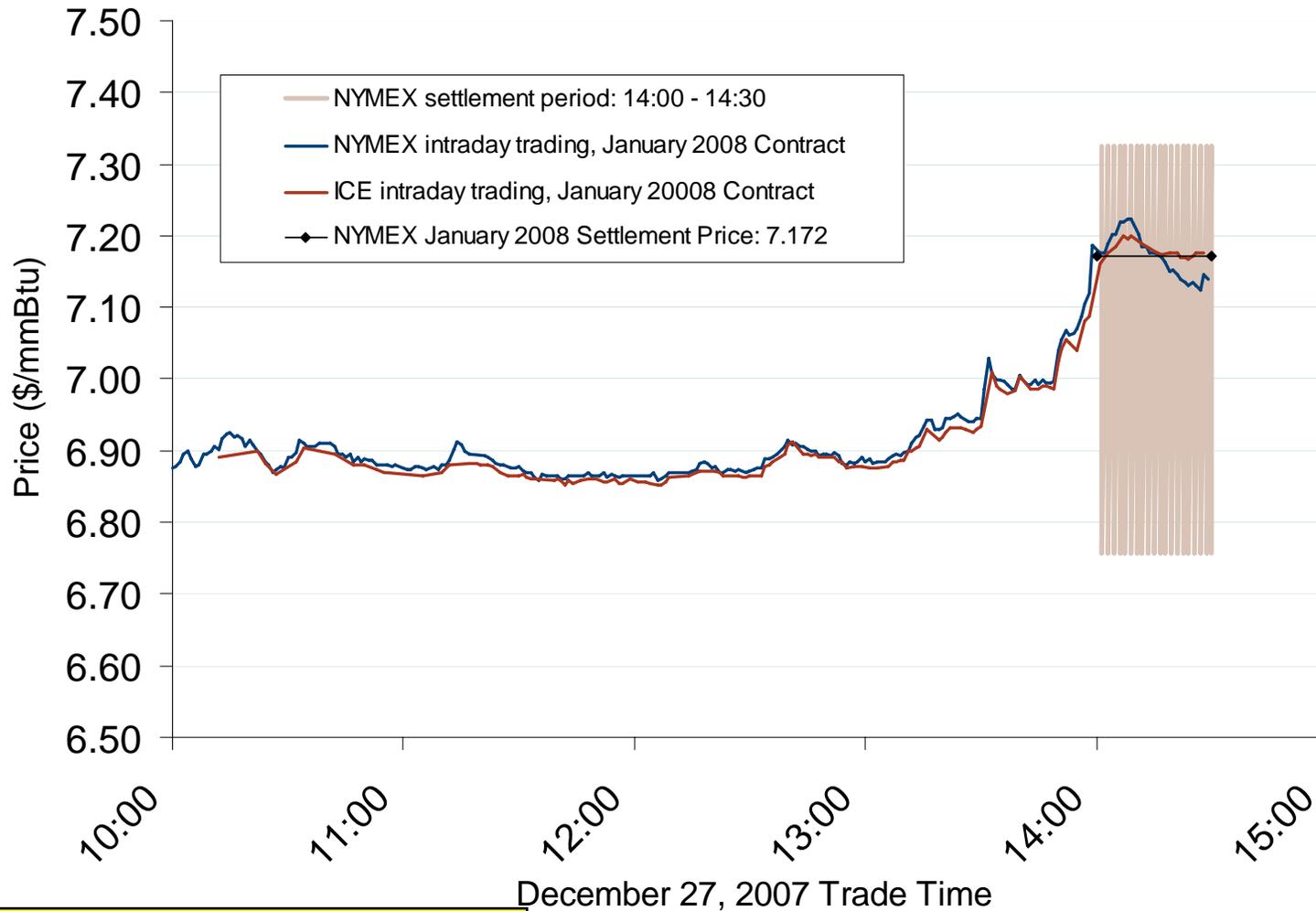
NYMEX Henry Hub and ICE UK National Balancing Point Natural Gas Forward Price Curves



Source: Derived from NYMEX and ICE data.

Updated January 9, 2008

January 2008 NYMEX and ICE Contract Final Settlement Day

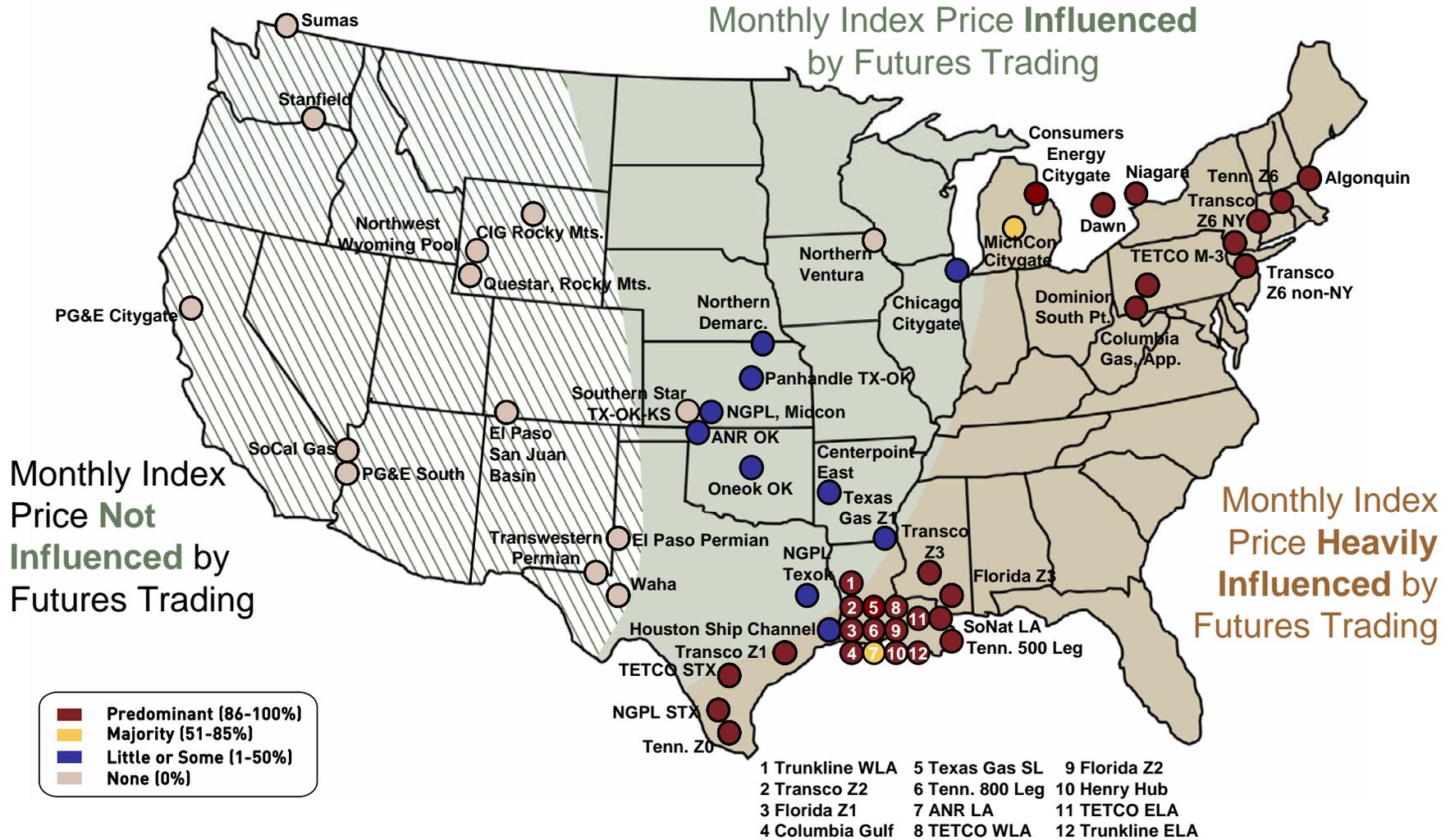


See 2003-2007 historical monthly final settlement day charts.

Source: Derived from Nymex and ICE data.

Created December 30, 2007

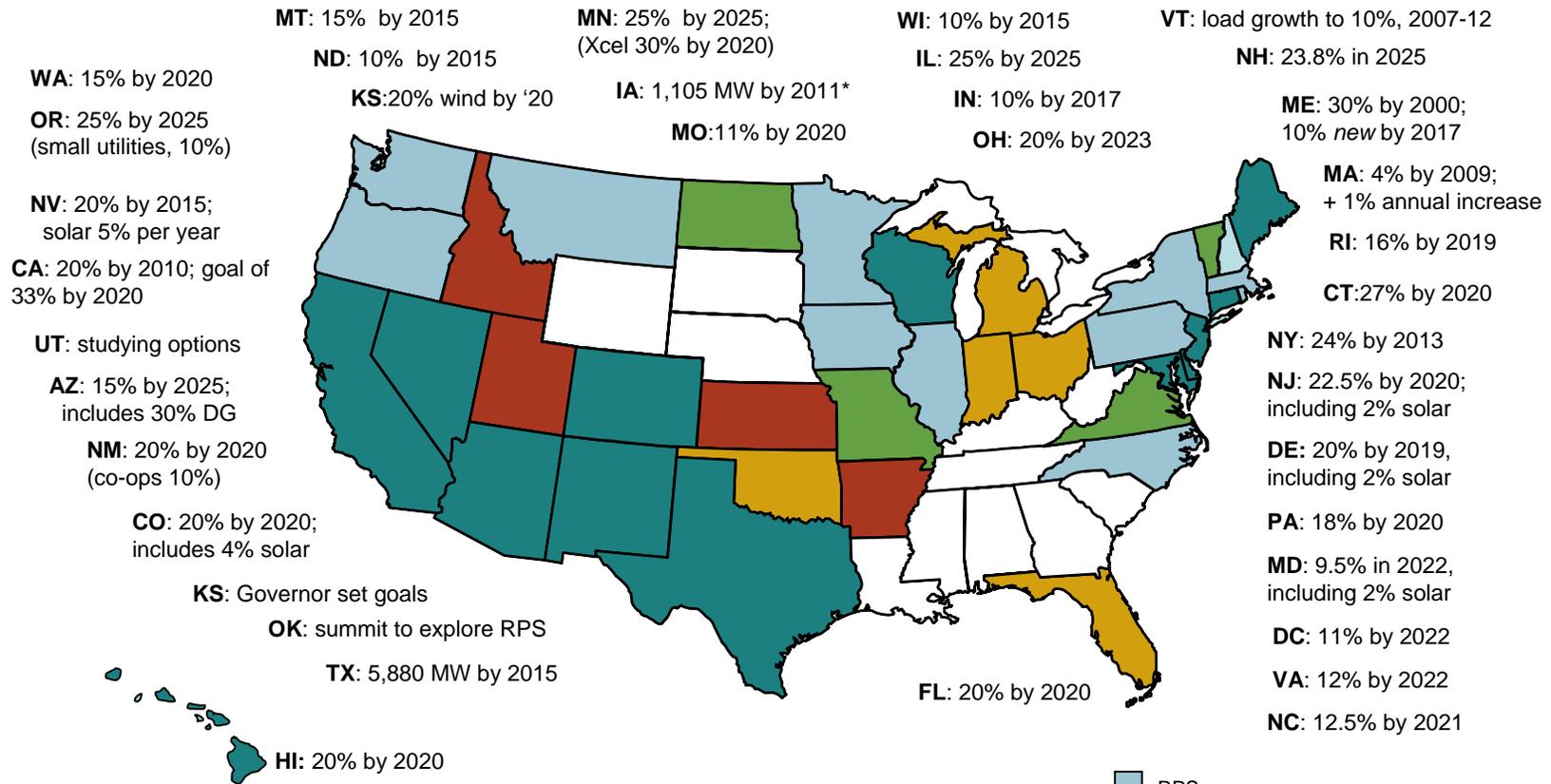
Use of Physical Basis in Natural Gas Price Indices at Major Trading Points, 2007



Source: Derived from *Platts* data for January through October 2007 indices.

Updated October 11, 2007

2007 Review of Renewable Energy Portfolio Standards



Notes: Alaska has no RPS; DG is distributed generation; * Iowa has a goal of 1,000 MW of wind by 2010
Sources: Derived from data in: EEI, EIA, LBNL, PUCs, State legislative tracking services, Database of State Incentives for Renewables and Efficiency, and the Union of Concerned Scientists.

Updated January 15, 2008

2007 Review of Renewable Energy Portfolio Standards

- A Renewable Portfolio Standard (RPS) requires a percent of energy sales or installed capacity to come from renewable resources.
- 26 states and D.C. have an RPS, also known as a Renewable Energy Portfolio Standard.
 - Five passed an RPS in 2007: Illinois, Minnesota, New Hampshire, North Carolina, and Oregon.
 - Eight amended an RPS: Colorado, Connecticut, Delaware, Maine, Maryland, Massachusetts, New Mexico, and Texas.
- Four states have renewable goals without financial penalties; three passed them in 2007: Missouri, North Dakota, and Virginia.
 - Virginia's goals include financial incentives.
 - Vermont's goal will be rolled into an RPS if it doesn't attain its stated goals by 2012.
 - Iowa has a voluntary goal of 1,000 MW of wind by 2010, beyond the 105 MW in its RPS.
- Indiana, Michigan, and Ohio proposed RPS legislation in 2007, which didn't pass; they intend to re-introduce bills in 2008.
- Florida and Oklahoma are actively studying an RPS; the Governors of Kansas and Utah announced renewable goals in 2007.
- 54% of U.S. load is located in states with a renewable energy purchase obligation; an additional 6% is in states with a renewable energy goal.
- Eleven states include energy efficiency in their RPS or renewable goals.
- Arkansas proposed that utilities should include clean energy and renewable resources in their integrated resource plans; Idaho's Energy Plan urged utilities to give priority to DR, EE, and in-state renewable energy.
- Some states are addressing the importance of transmission upgrades, building, and interconnection to support renewable resources, often located far from load:
 - The Texas PUC designated five preferred "Competitive Renewable Energy Zones" (CREZ) in October and authorized transmission development to bring power from windy areas to load centers.
 - California and Colorado are developing similar CREZ planning and cost recovery policies.
 - New Mexico created a Renewable Energy Transmission Authority at the same time it increased its RPS goal in March 2007.